T. Rowe Price®
INVEST WITH CONFIDENCE

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The State of Illinois

Deferred Compensation Plan

"Leave nothing for tomorrow which can be done today."

—Abraham Lincoln—

PLAN NOW TO BUILD YOUR FUTURE

TABLE OF CONTENTS

Dedicated to the proposition of a more secure future

Abraham Lincoln, our nation's 16^{th} President and an Illinois resident, was a true visionary who understood that the decisions we make today can have a lasting impact on the future. And while the wisdom of his words resonate in many areas of our lives, they are particularly relevant when it comes to planning for a more secure retirement.

Because no matter the retirement you envision—traveling, volunteering, or simply enjoying the company of family and friends, you'll need to plan ahead and save.

Fortunately, you are eligible to join the State of Illinois Deferred Compensation Plan—a valuable benefit that works with your pension plan to help you accumulate additional income for your future while enjoying tax benefits today.

Why not take a few minutes today to learn more about the features and benefits of your deferred compensation plan?

THE STATE OF ILLINOIS

DEFERRED COMPENSATION PLAN

Tax advantages, investment choice, and convenience

THE STATE OF ILLINOIS DEFERRED COMPENSATION PLAN OFFERS TAX ADVANTAGES, A CHOICE OF WAYS TO SAVE AND INVEST, AND CONVENIENT SERVICES.

TAX ADVANTAGES

The deferred compensation plan offers tax benefits that can help you save both today and tomorrow. Because contributions are made to the Plan with before-tax dollars, you don't pay taxes on contributions, thereby reducing your current taxable income. In addition, you don't pay taxes on any earnings in the account until you take money out of the Plan, which is usually when you retire and may be in a lower tax bracket.

CHOICE OF WAYS TO SAVE AND INVEST

1. **One-step Retirement Funds.** The T. Rowe Price Retirement Funds make it easy to invest for your future. Each Retirement Fund offers a diversified collection of professionally managed mutual funds that is automatically adjusted and rebalanced. (See page 9 for more information about the T. Rowe Price Retirement Funds.)
2. **Diverse investment options.** If you prefer to create and manage a portfolio that satisfies your personal goals and risk tolerance, the Plan offers many choices. (See page 11 for more details on choosing your own investments.)

CONVENIENT SERVICES

- **Enrollment/deferral assistance.** Contact CMS at **1-800-422-1300** for access to forms and help with enrolling in the Plan and making changes to your deferrals.
- **Plan assistance.** Talk to a T. Rowe Price retirement plan specialist on any business day from 7 a.m. to 10 p.m. eastern time at **1-888-457-5770**.
- **Online assistance.** Access planning tools, research investments, set goals and more by logging in to the ***my***RetirementPlan Web site at **rps.troweprice.com**.
- **24/7 account access.** Access your account online, or by phone, whenever you need Plan information or would like to make changes.
- **Flexible account management.** Change your investment choices whenever you wish by calling T. Rowe Price or logging in to the ***my***RetirementPlan Web site.
- **Timely account information.** Receive informative account statements by mail or online.

Read on for more information about the advantages of saving in the State of Illinois Deferred Compensation Plan.

The State of Illinois

deferred compensation plan

A lasting impact

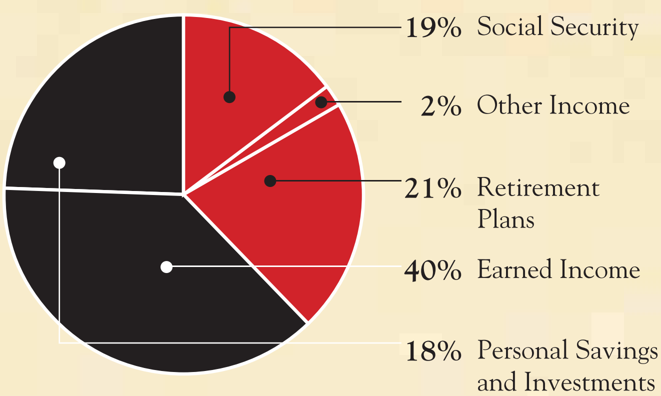
THERE ARE PROBABLY A MILLION THINGS THAT SEEM MORE IMPORTANT RIGHT NOW THAN SAVING FOR RETIREMENT. MAYBE YOU THINK YOU'RE TOO YOUNG TO WORRY ABOUT IT, OR IF YOU'RE NEARING RETIREMENT, YOU DON'T HAVE ENOUGH TIME TO SAVE MUCH ANYWAY. EITHER WAY, IT'S IMPORTANT TO OVERCOME PROCRASTINATION AND GET STARTED.

The fact is that one day you *will* retire and when you do:

- Financial experts estimate that you'll need 75% of your preretirement income for each year of what could be a 20- to 30-year retirement
- Inflation will keep pushing costs up, and
- Medical expenses could climb higher

And while it's true that Social Security and your pension may cover a good portion of your expenses in retirement, as you can see in the chart to the right, personal savings and investments account for a substantial portion of retirees' income today.

SOURCES OF RETIREMENT INCOME



Source: Social Security Administration, 2004 Income of the Aged Chartbook, Released: September 2006. (These percentages are based on those age 65 and up with at least $44,129 in annual income in 2004.)

THE POWER OF COMPOUNDING

Another reason to start saving today is compounding. Compounding is what happens when your money makes money, and then that money makes money, and so on. Due to the potential effects of compounding, the amount of *time* you have to save can be just as important as the *amount* you save during each pay period.

QUESTION: WHO WILL HAVE MORE SAVINGS IN RETIREMENT?

1 **Carlos** starts contributing $250 a month to the deferred compensation plan when he is 30 years old and continues contributing the same amount for 30 years.

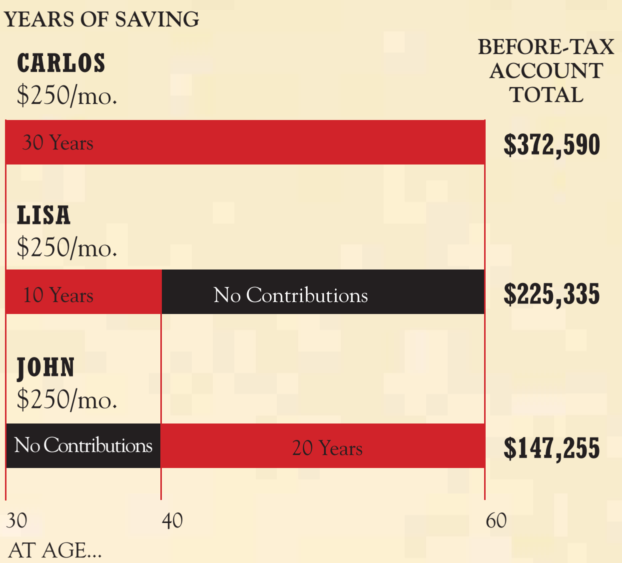
#2 **Lisa** also starts contributing $250 a month to the deferred compensation plan when she is 30 but stops after 10 years.

#3 **John** procrastinates. He doesn't get his account started until he's 40. Then he starts contributing $250 a month and continues to do so for 20 years until age 60.

ANSWER: CARLOS CLEARLY HAS THE BEST STRATEGY

Beginning to save as early as possible can make a big difference in the size of your savings account at retirement.

THE ADVANTAGE OF TAX-DEFERRED COMPOUNDING



This chart is for illustrative purposes only. This is not meant to represent the performance of the investment options in your Plan. These amounts assume $250 invested each month and an 8% before-tax annual rate of return.

Wood River, Illinois: The Point of Departure for Lewis and Clark

Just as Lincoln began planning for reconstruction while the Civil War still raged, Thomas Jefferson also had a vision for the future: He believed that the greatest opportunity for his country lay in the West. That's why he commissioned the Lewis and Clark Expedition—to explore the land the U.S. had obtained through the Louisiana Purchase and to find an overland route to the Pacific.

On May 14, 1804, the Corps of Discovery, led by Lewis and Clark, departed on their historic journey along the Missouri River from Wood River, Illinois.

Plan Now to Build Your Future

TAX SAVINGS FOR TODAY AND TOMORROW

Keep more of your money today. Your contributions to the State of Illinois Deferred Compensation Plan go into the Plan on a before-tax basis, which means before taxes are taken out of your paycheck. Before-tax contributions reduce your current taxable income. Take a look at the comparison below.

ADVANTAGE OF TAX-DEFERRED SAVINGS TODAY

CONTRIBUTING TO THE PLAN

Annual Income		10% Before-Tax Contribution		Taxable Income		25% Tax Rate	Income Tax
$30,000	–	$3,000	=	$27,000	x	.25	**$6,750**

NOT CONTRIBUTING TO THE PLAN

Annual Income		0% Before-Tax Contribution		Taxable Income		25% Tax Rate	Income Tax
$30,000	–	$0	=	$30,000	x	.25	**$7,500**

THE PERSON WHO SAVED BEFORE-TAX DOLLARS PAID $750 LESS IN CURRENT INCOME TAX.

For illustrative purposes only. Your results will vary.

KEEP MORE OF YOUR MONEY TOMORROW

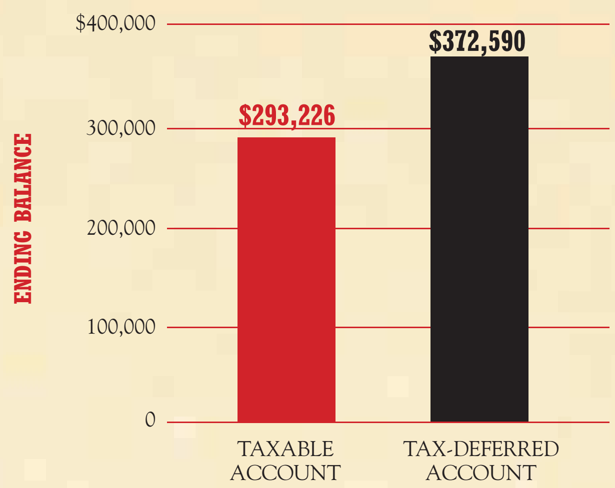
You don't pay taxes on retirement contributions or any of your account's earnings until you take money out of the Plan, usually when you retire. This can help you in two ways:

1. You may be in a lower tax bracket when you retire.
2. The money you would have paid in taxes can continue to compound for you.

All other factors being equal, tax-deferred savings will outpace a regular taxable account. At the end of a 30-year time period, as you can see in the example below, $250 a month saved in a taxable account would amount to significantly less than the same amount invested in a tax-deferred Plan account.

LONG-TERM ADVANTAGES OF TAX-DEFERRED SAVING

Monthly deposits of $250 over 30 years



This chart is for illustrative purposes only. This is not meant to represent the performance of the investment options in your Plan. The dollar amounts do not include any money that may be contributed by your employer to the Plan. These amounts assume an 8% before-tax annual rate of return, compounded monthly, and a 15% tax on earnings in the taxable account. Money in the tax-deferred account will be taxed when it is withdrawn.

Changes in tax rates and the tax treatment of investment earnings may impact comparative results. You should consider your personal investment horizon and income tax brackets, both current and anticipated, when making an investment decision as these factors may further impact the results of the comparison.

HOW MUCH IS ENOUGH?

Of course, every investor is different. But as a general rule, experts suggest that you save *15% of your salary each year* to have enough income to last throughout retirement. If that sounds like a lot, remember that the 15% goal includes deferred compensation plan contributions, your pension, and any individual retirement account (IRA) contributions you may make. If necessary, you can start with a lower savings rate and increase your contributions a little each year. The important thing is that you save what you can for as long as you can.

Chicago, Illinois: Home to the World's First Skyscraper

Built in 1885 in Chicago, the Home Insurance Building was the first tall building to be supported by a metal skeleton of vertical columns and horizontal beams—and is considered by many to be the world's first skyscraper. Engineer William LeBaron Jenney discovered that thin pieces of steel could support a tall building, while also allowing for additional floor space and many more windows than were common at the time.

Initially, local officials were so concerned that the building would collapse that they halted construction to investigate its structural integrity. The building was deemed safe and, in fact, in 1890 two additional floors were added to the original 10 stories.

Plan Now to Build Your Future

The guiding principles

IF YOU DON'T HAVE EXPERIENCE WITH INVESTING, THE PROCESS MAY SEEM INTIMIDATING. BUT LEARNING JUST A FEW OF THE BASICS CAN MAKE IT EASIER TO DECIDE HOW YOU WANT TO APPROACH INVESTING IN YOUR DEFERRED COMPENSATION PLAN.

COMMON TYPES OF INVESTMENTS

Most Plan investments fall into one of three categories—stocks, bonds, or short-term investments. Each investment carries a different level of risk and potential return. As a general rule, the greater the risk, the greater the potential return.

Stocks: When you invest in a stock, you buy shares of a company. When the company performs well, the value of your holdings may increase. When it performs poorly, the value of your shares may decline.

Bonds: When you invest in a bond, you agree to lend money to a corporation or government, which will pay a set amount of interest over a specific period of time.

Short-term investments: These options invest primarily in money market securities, certificates of deposit, U.S. Treasury bills, and guaranteed investment contracts.

BASIC RULES FOR RETIREMENT INVESTING

Investors want to earn the highest possible return in keeping with their risk tolerance and time horizon (the amount of time you plan to invest). In order to do that, it's important to understand the importance of building a portfolio based on your goals.

1. KNOW YOUR GOALS AND YOUR TIME HORIZON

The first step is to ask yourself: What am I investing for? Knowing your goals helps you evaluate how much time you have to invest. In most cases, investing for retirement involves a long-term time horizon. Consequently, your investment decisions should be focused more on potential for growth rather than on preservation of principal.

2. BALANCE THE RISKS

All investing involves some form of risk. The decision *not* to invest can be risky, too. So it's important to familiarize yourself with investment risks and learn how to balance them according to your goals.

Two common investment risks that you need to balance are *market risk* and *inflation risk*. *Market risk* deals with the chance that your savings will lose value when the market goes up or down. *Inflation risk* is the possibility that your savings will not grow enough to stay ahead of rising prices, thus decreasing your purchasing power. Therefore, as a retirement investor, your investment decisions need to strike a balance between the need for growth and the desire for stability.

Among the three main investment types:

- **Stocks** offer high return potential, high market risk, and low inflation risk
- **Bonds** offer moderate return potential, lower market risk, and moderate inflation risk
- **Short-term investments** offer lower return potential, low market risk, and high inflation risk

3. DETERMINE YOUR ASSET ALLOCATION

Asset allocation is the way that you spread your savings among different types of assets (stocks, bonds, and short-term investments). Achieving the asset allocation that's right for you depends mainly on your time horizon. The main objective is to establish an asset allocation that will support the growth needed to sustain your purchasing power, while minimizing the impact of market fluctuations over the life of your investment.

Since you are investing for retirement, you may have more time to ride out short-term market fluctuations and choose to invest more of your portfolio in stocks. However, asset allocation cannot assure a profit or protect against loss in a declining market.

4. DIVERSIFY WITHIN EACH ASSET CLASS

Once you've chosen your overall asset allocation, it is important to diversify within the stock and bond classes. That's because different investments respond differently to market factors, such as oil prices, interest rates, or the rate of economic growth.

You can help reduce the effect of these factors without giving up the potential for growth by spreading your investments among a variety of funds within different sectors. That way, your overall returns aren't heavily dependent on any one stock, industry, or sector.

YOU CAN DIVERSIFY YOUR PORTFOLIO BY:

- **Industry**—semiconductors, oil refining, farm products, electronic equipment, banking, and others.
- **Sector**—Technology, energy, agriculture, telecommunications, financial services, and others.
- **Management style**—growth, value, or a combination of the two.
- **Size**—small-, middle-, and large-sized companies, or a blend of these.

You can learn more about asset allocation and diversification on the ***my***RetirementPlan Web site at **rps.troweprice.com**.

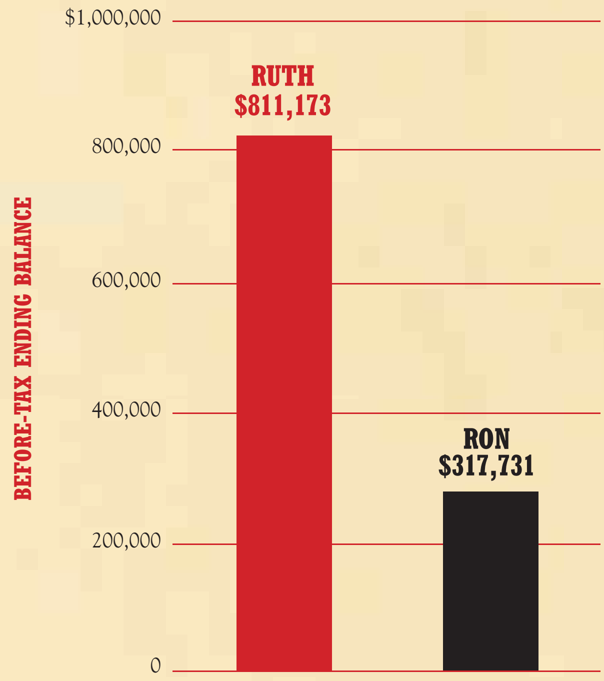
5. KEEP A LONG-TERM FOCUS ON YOUR RETIREMENT GOAL

It's important to remember that investing for retirement isn't about what happens today or tomorrow. You're planning, saving, and investing for the long term. Once you choose an asset allocation that is right for you, and diversify your holdings, resist jumping in and out of your investment options based on what's happening in the market right now. As you can see in the chart to the right, a steady approach may be more rewarding.

Reevaluate your situation once or twice a year. Marriages, births, major shifts in your risk tolerance, and other life changes may be reasons to adjust your strategy.

A PATIENT, LONG-TERM, APPROACH CAN LEAD TO BIGGER REWARDS

TAX-DEFERRED COMPOUNDING OVER 30 YEARS



RUTH took the long-term approach. She had many years until she planned to retire and use her savings, so she invested aggressively—and left it alone for 30 years.

RON used a market timing strategy. Since he kept moving his money into and out of the stock market, he ended up missing out on the 10 best-performing months for stocks during that 30-year period.

This example is based on an initial balance of $25,000 and uses the performance of the S&P 500 Stock Index from 12/31/1976 to 12/31/2006. In Ron's case, a corresponding 30-day U.S. Treasury bill return was used for each of the 10 months the S&P 500 Stock Index was highest, and it was assumed that Ron's market timing strategy had him out of the market during those times.

This chart is for illustrative purposes only. This is not meant to represent the performance of the investment options in your Plan. Past performance cannot guarantee future results. It is not possible to invest directly in an index.

Unlike stocks, U.S. Treasury bills are guaranteed as to the timely payment of interest and principal. The S&P 500 tracks the stocks of 500 U.S. companies.

30-day U.S. Treasury bills track short-term U.S. government debt instruments.

THE STATE OF ILLINOIS

DEFERRED COMPENSATION PLAN

The great task before you

THE NEXT STEP IS TO CHOOSE YOUR INVESTMENTS. THE STATE OF ILLINOIS DEFERRED COMPENSATION PLAN OFFERS TWO WAYS TO INVEST YOUR SAVINGS: YOU CAN SELECT A PRE-ASSEMBLED T. ROWE PRICE RETIREMENT FUND OR CREATE YOUR OWN PORTFOLIO FROM THE PLAN'S CORE INVESTMENT LINEUP. THE BEST CHOICE FOR YOU DEPENDS ON YOUR LEVEL OF INVESTMENT EXPERIENCE AND DESIRE FOR CONVENIENCE.

- The **T. Rowe Price Retirement Funds** offer participants who prefer the simplest and least time-consuming approach a premixed portfolio. The managers of these funds choose the portfolios' asset allocations and diversify their holdings for you.
- If you prefer to **create your own portfolio**, you can select an asset allocation and blend of investments from the options available in the Plan's investment lineup.

WHICH APPROACH IS RIGHT FOR YOU?

Respond to the statements below and compare the number of Yes answers with the number of No answers.

1. I consider myself a beginner investor.	**Y**	**N**
2. I review my investments online or in the newspaper less than once a month.	**Y**	**N**
3. I have not developed a long-term retirement investment strategy.	**Y**	**N**
4. I am not interested in reading information about my account and investments.	**Y**	**N**
5. I would prefer to choose an investment option that is already premixed and diversified.	**Y**	**N**
6. I do not want to spend time learning about different investment opportunities.	**Y**	**N**
7. I'm not confident in my ability to make investment choices.	**Y**	**N**

If you had more Yes than No answers: The automatic approach might be right for you. Read more about the one-step T. Rowe Price Retirement Funds (see page 9).

If you had more No than Yes answers: You might prefer to create your own portfolio. See the create-your-own portfolio approach (see page 11).

Regardless of the type of investor you are, the State of Illinois Deferred Compensation Plan offers free investment guidance through Morningstar. See page 13 for details.

1. CHOOSE A PRE-ASSEMBLED T. ROWE PRICE RETIREMENT FUND

If you feel you don't have the desire, time, or experience to select and track your own portfolio, a T. Rowe Price Retirement Fund may be the solution for you. Each Retirement Fund is a diversified portfolio of T. Rowe Price mutual funds. They are professionally managed, allocated among a mix of stock and bond funds, and periodically rebalanced with a specific retirement date in mind, such as the year you expect to retire or the year you'll turn age 65. In addition, each fund offers:

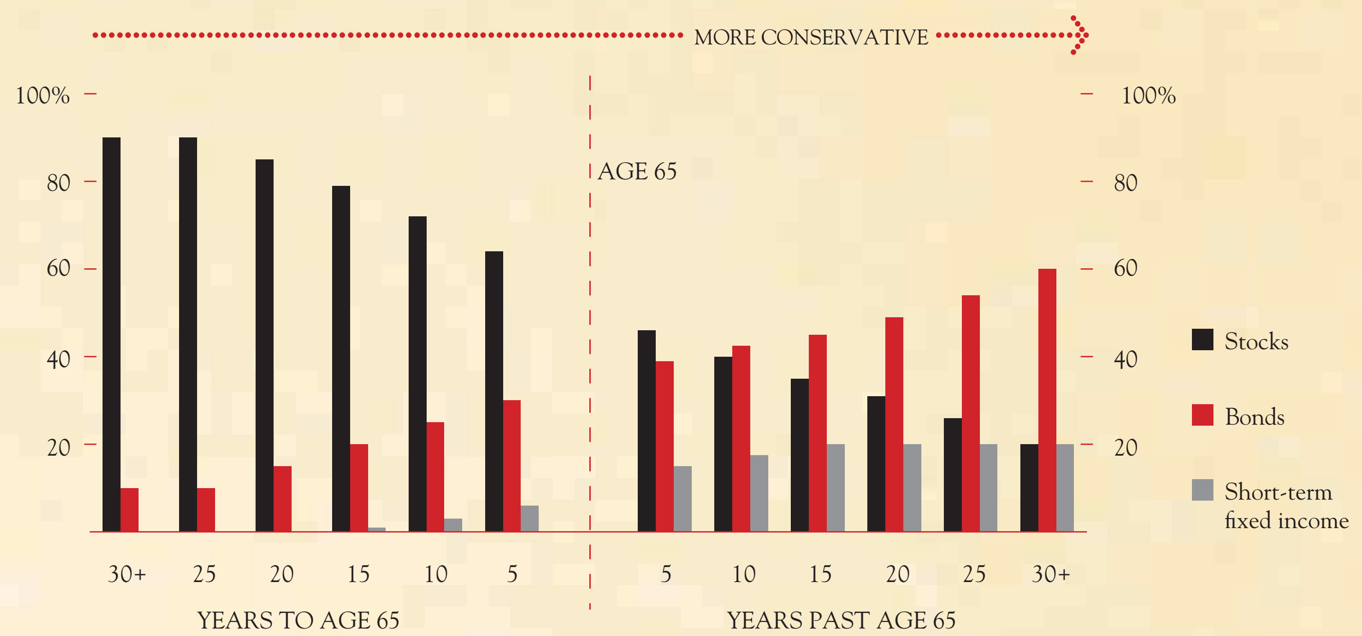
- **One-step convenience**, so you don't need to mix and match them with other options.
- **Professional diversification*** that may help reduce the impact of the market's ups and downs on your account.
- **Stock exposure** that can help your retirement account outpace inflation and maintain its buying power.
- **Automatic rebalancing** among stocks, bonds, and conservative bonds helps the funds' allocations stay on track.

**Diversification cannot assure a profit or protect against a loss in a declining market.*

BUILT-IN DIVERSIFICATION THROUGHOUT RETIREMENT

Each Retirement Fund's allocation shifts as its target retirement date approaches. The allocation continues to adjust for approximately 30 years after the target retirement date, before arriving at its final 20% stock/80% bond and short-term income ratio. Retirement Funds with a later target date start out with more aggressive risk/return potentials, which gradually become more conservative over time. For example, Retirement Funds with later target dates (such as 2050 or 2055) have more aggressive risk/return potentials than Retirement Funds with earlier dates (such as 2010 and 2020).

HOW YOUR INVESTMENT MIX CHANGES OVER TIME



Note: Unlike the other Retirement Funds, the Retirement Income Fund's allocation does not shift to become more conservative over time.

HOW TO CHOOSE A T. ROWE PRICE RETIREMENT FUND

If you decide that a Retirement Fund is right for you, simply choose the fund with the target date closest to the year in which you plan to retire. The funds assume a retirement age of 65. Choosing a fund with an earlier date may expose you to less risk and also less return potential. Or you can choose a fund based on the year you were born.

WHAT'S THE RIGHT INVESTMENT STRATEGY FOR YOU?

IF YOU WERE BORN...	THIS RETIREMENT FUND MAY BE RIGHT FOR YOU
1988 or after	Retirement 2055
Between 1983 and 1987	Retirement 2050
Between 1978 and 1982	Retirement 2045
Between 1973 and 1977	Retirement 2040
Between 1968 and 1972	Retirement 2035
Between 1963 and 1967	Retirement 2030
Between 1958 and 1962	Retirement 2025
Between 1953 and 1957	Retirement 2020
Between 1948 and 1952	Retirement 2015
Between 1943 and 1947	Retirement 2010
Between 1938 and 1942	Retirement 2005
In 1937 or before	Retirement Income

There are many important factors to consider when planning for retirement, including your expected expenses, sources of income, and available assets. Before investing in a Retirement Fund, be sure to weigh your objectives, time horizon, and risk tolerance. These funds invest in many underlying funds, which means that they are exposed to the risks of different areas of the market. Investors should note that the higher a fund's allocation to stocks, the greater the risk.

*Call **1-888-457-5770** to request a prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.*

2. CREATE YOUR OWN PORTFOLIO

If you have the time, knowledge, and investment experience to create your own broadly diversified portfolio, you may select a combination of investments from the Plan's investment lineup.

For information about the Plan's investment lineup, refer to the enclosed fund performance pages or click the Investments tab on the ***my***RetirementPlan Web site at **rps.troweprice.com**.

DETERMINE A MIX THAT MAY BE RIGHT FOR YOU

You can choose among your Plan's core investment options to create a diversified retirement portfolio. To gauge your investment type, complete the following risk self-assessment. Then, follow the steps below to decide how much money you may want to contribute to each of the three primary investment categories – stock funds, bond funds, and money market/stable value investments.

RISK SELF-ASSESSMENT

Check the answer that best describes your situation, and then add up your points for your total score.

1. Which of these best describes your situation?

- ☐ Age 20 to 35, just starting a career and family, and saving for major purchases. *(5 points)*
- ☐ Age 30 to 50, saving for children's college, paying for your home. *(3 points)*
- ☐ Over age 40, with children grown and on their own, trying to save as much as possible for retirement. *(1 point)*

2. When it comes to investing for retirement, would you consider yourself a knowledgeable investor?

- ☐ Yes. *(5 points)*
- ☐ Somewhat. *(3 points)*
- ☐ No. *(1 point)*

3. You'd feel best if you made an investment that:

- ☐ Doubled your money in the first year, although it had an equal chance of a 50% loss. *(5 points)*
- ☐ Doubled your money in 10 years, with less chance of loss. *(3 points)*
- ☐ Grew slowly and steadily. *(1 point)*

4. What's your idea of a smart retirement strategy?

- ☐ For the sake of getting the best long-term growth, you accept the risk of ups and downs of your investments. *(5 points)*
- ☐ To earn returns that will keep you ahead of inflation, you live with moderate risk. *(3 points)*
- ☐ You save as much as you can, don't take chances, and hope you'll have enough money. *(1 point)*

YOUR RISK SCORE: ________

WHAT DOES YOUR RISK SCORE TELL YOU?

Score 4-8: Low-risk investor.
You are a conservative investor who wants maximum stability for your money and can accept low returns. But remember—not having enough money when you retire is a big risk, too. It may be appropriate to consider higher-risk investments.

Score 9-14: Moderate-risk investor.
You are an investor who likes balance between low-risk and higher-risk investments.

Score 15-20: High-risk investor.
You are an investor who is comfortable taking substantial risk in exchange for potentially higher returns. Make sure you keep an eye on your time horizon and modify your investment strategy as your situation changes.

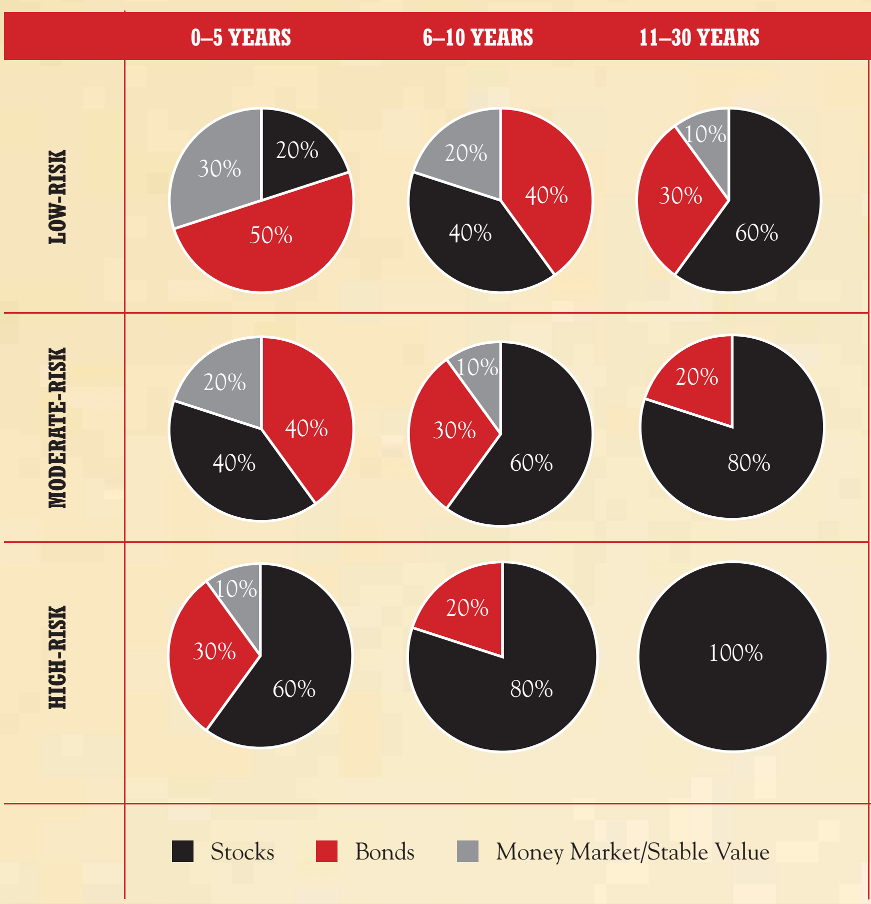
USE YOUR RISK SCORE TO CHOOSE YOUR MIX

1. Match your investment type and your years until retirement, using the chart below.
2. Circle the suggested investment mix. This chart represents a model portfolio and will give you an idea of how you might consider dividing your contributions among different types of investments.
3. Review your investment options and make your selections from your core funds.

You can find full descriptions of the plan's investment options—including objective, strategy, historical performance, and expenses—in the back pocket of this booklet and on the ***my***RetirementPlan Web site at **rps.troweprice.com**.

Call ***1-888-457-5770*** *to request a prospectus, which includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.*

ASSET ALLOCATION



These allocations are determined by using standard indices that represent each category; stocks, bonds, and money market/stable value. The categories are designed to correspond to various risk levels centered around a "balanced" portfolio (60% stocks, 30% bonds, 10% money market/stable value). T. Rowe Price defines the "risk level" as the degree to which the monthly rates of return of a portfolio differ from the average rate of return of the portfolio over a specific time period (standard deviation). These illustrations use the following indices to represent the categories: stocks, 85% Dow Jones Wilshire 5000 Composite Index/15% MSCI EAFE Index; bonds, Lehman Brothers U.S. Aggregate Index; 100% money market/stable value, 30-day T-bills.

Data Source: Ibbotson Associates, with analysis by T. Rowe Price.

SAVE SMARTER WITH HELP FROM MORNINGSTAR ASSOCIATES, LLC

The State of Illinois Deferred Compensation Plan makes it easy for you to make retirement planning decisions with free, user-friendly guidance services. You'll find them all right on the ***my***RetirementPlan Web site.

Morningstar helps you set up and manage your account with unbiased, professional guidance you can trust. In as little as 15 minutes, you can get a personalized retirement strategy with recommendations on:

- How much to save for retirement
- How to allocate your money among your plan's investment options

Morningstar also offers tools to help you track the performance of your portfolio and its underlying investments on an ongoing basis.

Morningstar® Retirement Manager℠: fast, friendly, free!

The State of Illinois offers Morningstar Retirement Manager, a range of investment services designed to help simplify the management of your retirement account.

Using your personalized information, Morningstar Retirement Manager helps you to choose how to allocate your assets among investment categories – stocks, bonds, and money market investments.

Morningstar® Portfolio Manager℠

Morningstar Portfolio Manager provides an in-depth examination of all of your accounts' investments and how they work together. And it tracks your holdings' performance, all day, every day.

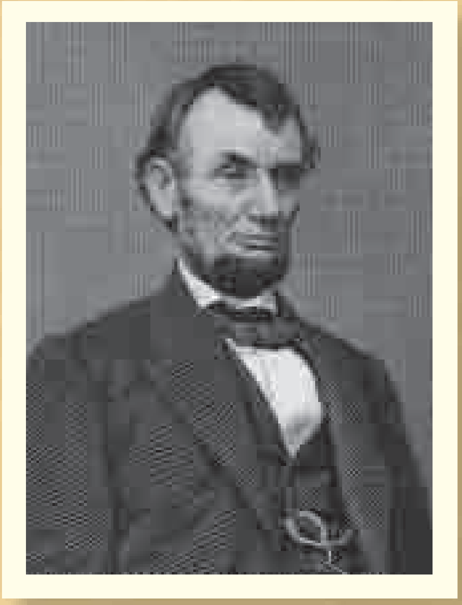
Morningstar® Portfolio Watchlist℠

Morningstar Portfolio Watchlist offers advanced investors a more complete view of their portfolio's performance. It includes dollar target highs, lows, and volumes for all your investments in a convenient one-page format that's updated throughout the trading day.

Get FREE professional guidance today: Log in to **rps.troweprice.com** and click on Tools.

The Morningstar name and trademarks are used under license from Morningstar Associates, LLC. Investment advisory products and services are provided solely by Morningstar Associates, LLC, a registered investment advisor and a wholly owned subsidiary of Morningstar, Inc. Morningstar Associates, LLC, is not affiliated with, nor is it an employee or agent of, T. Rowe Price. Plan sponsors must elect to make the Morningstar services available.

Illinois: The Land of Lincoln



After moving with his family to Illinois in 1830, at the age of 21, Lincoln quickly embarked on both his law and political careers—winning election to the state legislature in 1834 and admittance to the bar in 1837. Elected President in 1860, at a time of national crisis, Lincoln's visionary leadership qualities were evident in his supervision of the war effort, his ability to rally public support through his speeches and writing, and his plans to reunite the country as quickly as possible at the close of the war. Although his life was cut short by his assassination in 1865, Lincoln is considered by many to be one of the most farsighted presidents in U.S. history—and a model for the ideal of national unity.

Plan Now to Build Your Future

A call to action

THE MORE YOU SAVE TODAY, THE MORE TIME YOUR MONEY HAS TO GROW!

IF YOU'RE NOT YET PARTICIPATING IN THE DEFERRED COMPENSATION PLAN:

Enroll today!

Call **1-800-422-1300** to request enrollment forms or visit **rps.troweprice.com/illinois457** to download enrollment forms.

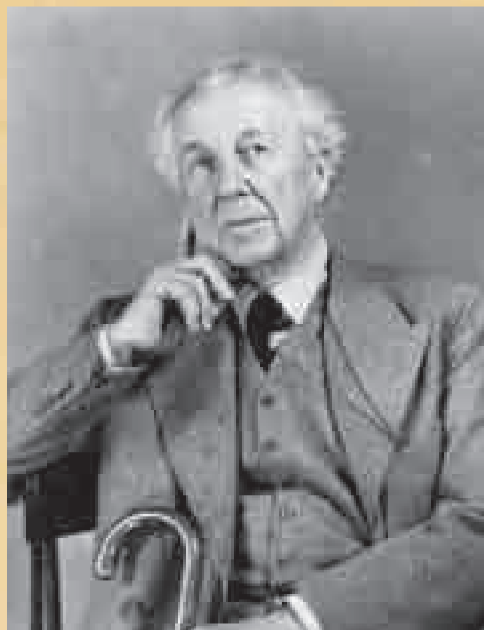
Make sure you name a beneficiary for your account. Complete the beneficiary designation form located in the back pocket of this booklet and return it to CMS.

IF YOU'RE ALREADY PARTICIPATING IN THE DEFERRED COMPENSATION PLAN:

Why not consider increasing your contributions or fine-tuning your investment mix?

- To increase or change your contribution amount, contact CMS at **1-800-422-1300**.
- To change your investment mix, contact T. Rowe Price at **1-888-457-5770** or visit the ***my***RetirementPlan Web site at **rps.troweprice.com**.

Oak Park, Illinois: Home to Architect Frank Lloyd Wright



Oak Park, Illinois, is home to the world's largest collection of Frank Lloyd Wright designed buildings. Wright, who remains America's most famous architect almost 50 years after his death, built 25 homes and buildings in Oak Park between 1889 and 1913.

Built in his early "Prairie Style," these designs emphasized the use of interior light and open space in low-slung, shallow-roofed buildings. Today, many of the homes and buildings Wright designed in Oak Park are registered National Historic Landmarks.

Plan Now to Build Your Future

Account access

YOUR DEFERRED COMPENSATION PLAN ALLOWS YOU TO MONITOR YOUR ACCOUNT AT ANY TIME OF DAY OR NIGHT. YOU CAN CHECK YOUR BALANCE, MOVE MONEY FROM ONE INVESTMENT TO ANOTHER, CHOOSE DIFFERENT INVESTMENTS FOR FUTURE CONTRIBUTIONS, AND MUCH MORE.

ONLINE

The ***my***RetirementPlan Web site at **rps.troweprice.com** is your one-stop, online source for information on your Plan, your account, and your individual financial planning needs. It offers you all of the features of the Plan Account Line and some additional benefits:

- Review the Plan's policies and features.
- Review your investment options.
- Download Plan forms.
- Link to tools that allow you to estimate Social Security benefits, determine how long your savings may last, and more!

Login instructions:

- Go to **rps.troweprice.com**.
- Log in using your user name and password.
- If you are visiting the Web site for the first time, register using your Social Security number, date of birth, and ZIP code (just follow the on-screen prompts).

PHONE

Call **1-888-457-5770** to connect to the Plan Account Line (PAL)—the number you can use to get help or information. With your personal identification number (PIN), you can use the PAL to:

- Get your account balance
- Change how future contributions are invested
- Change how your existing balance is invested
- Request a prospectus and get investment and market information

T. Rowe Price representatives are available business days between 7 a.m. and 10 p.m. eastern time. To speak with someone directly, say "representative" or press "#, 0" on your touch-tone keypad. You do not need a PIN to speak to a representative.

You can reset your PIN at any time through the PAL system by entering your Social Security number, ZIP code, and date of birth.

MAKING CHANGES TO YOUR ACCOUNT

When you are making an investment change, keep in mind there are two kinds of change transactions:

- **Change investment election**—Changes how future contributions will be invested in your account. This type of change will not affect how your current account balance is invested.
- **Change your current balance**—Moves your entire account balance, or a portion of it, from one investment choice to another within your account. This will not affect how your future contributions are invested.

The State of Illinois

DEFERRED COMPENSATION PLAN

Strive on to finish the work!

THE FUTURE MAY BE UNCERTAIN, BUT ONE THING IS CLEAR: YOU HAVE THE POWER TO PLAN FOR A COMFORTABLE RETIREMENT, AND YOU CAN START TODAY. THROUGH YOUR DEFERRED COMPENSATION PLAN, THE STATE OF ILLINOIS OFFERS A CONVENIENT WAY TO SAVE AND INVEST FOR YOUR TOMORROW.

PLAN NOW TO BUILD YOUR FUTURE:

- Select a beneficiary
- Monitor your account periodically
- Increase the amount you contribute whenever possible
- Make additional changes as necessary

This booklet provides only a general overview of the State of Illinois Deferred Compensation Plan. For more information, review the Summary Plan Description (SPD).

T. ROWE PRICE, YOUR PLAN SERVICE PROVIDER

T. Rowe Price is a leading investment management firm headquartered in Baltimore, Maryland. The company offers an exceptional combination of investment management expertise, world-class service, and extensive resources to help you reach your retirement goals. T. Rowe Price Retirement Plan Services, Inc., currently serves more than 1.5 million participants in over 1,000 plans, helping clients meet the challenges of effective retirement planning with intelligent, informed decisions.

T. Rowe Price Investment Services, Inc., distributor, T. Rowe Price mutual funds.

POCKET FOLDER